

# EXHIBIT 1

UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

1    **1. INTRODUCTION**

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3       Plaintiff Ameranth, Inc. (“Plaintiff”) alleges that Defendants California Commerce Club, Inc.  
 4 (“Commerce”), Genesis Gaming Solutions, Inc. (“Genesis”), and IT Casino Solutions, LLC  
 5 (“ITCS”) (collectively, “Defendants”) infringe three patents, including U.S. Patent No. 8,393,969  
 6 (“‘969 Patent”), titled “Products and Processes for Operations Management of Casino, Leisure and  
 7 Hospitality Industry.” (Compl., SACV 13-00720, Dkt. No. 1; Compl., SACV 11-00189, Dkt. No. 1.)  
 8       The ‘969 Patent claims computerized systems and methods for monitoring a physical casino poker  
 9 game.

10       Commerce and Genesis filed a motion for Summary Judgment of Patent Invalidity of the  
 11 ‘969 Patent (“Motion”) on October 7, 2014. (Dkt. No. 72 (unless specified, docket entries in this  
 12 Order refer to SACV 13-00720, the case in which Defendants filed the Motion).) ITCS joined in  
 13 the Motion on October 13, 2014. (Dkt. No. 73.) Defendants ask the Court to rule that the asserted  
 14 claims fail 35 U.S.C. § 101 because they are directed to the abstract idea of “a customer loyalty  
 15 program directed to poker players,” without adding “significantly more” to that abstract idea. (Dkt.  
 16 No. 72 at 8, 13).

17       Plaintiff filed an opposition on October 20, 2014. (Dkt. No. 74.) Defendants filed a reply  
 18 on October 27, 2014. (Dkt. No. 76.) The Motion is DENIED.

19  
 20    **2. BACKGROUND**

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22       Plaintiff filed this case on February 2, 2011, asserting infringement of United States Patent  
 23 Nos. 7,431,650 (“‘650 Patent”) and 7,878,909 (“‘909 Patent”). (Compl., SACV 11-00189, Dkt. No.  
 24 1 at 8, 12.) On August 29, 2011, the Court granted the parties’ stipulation to stay the case pending  
 25 reexaminations of the ‘650 and ‘909 Patents. (SACV 11-00189, Dkt. No. 64.) On May 6, 2013,  
 26 Plaintiff filed Case No. SACV 13-00720, asserting the ‘969 Patent, which issued on March 12, 2013.  
 27 On August 9, 2013, the Court lifted the stay in SACV 11-00189 because the USPTO had completed  
 28 its reexaminations of the ‘650 and ‘909 Patents. (SACV 11-00189, Dkt. No. 87.) On August 12,

1 2013, the Court ordered Case No. SACV 13-0720 consolidated into Case No. SACV 11-0189.  
 2 (SACV 11-00189, Dkt. No. 88.)

3 The Court issued its Claim Construction Order on May 2, 2014. (SACV 11-00189, Dkt. No.  
 4 164.) On August 4, 2014, the Court granted in part and denied in part Commerce's motion for  
 5 summary judgment of non-infringement of the '650 Patent. (SACV 11-00189, Dkt No. 197.)  
 6 Genesis's motion for summary judgment of non-infringement of the '650 and '909 Patents is set for  
 7 hearing on December 15, 2014. (Dkt. No. 210.) Trial is set for February 10, 2015. (Scheduling  
 8 Order, Dkt. No. 90.)

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10 **3.     LEGAL STANDARD**

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12       **3.1     SUMMARY JUDGMENT**

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14       Summary judgment is appropriate where the record, read in the light most favorable to the  
 15 non-moving party, shows that "there is no genuine issue as to any material fact and . . . the moving  
 16 party is entitled to a judgment as a matter of law." Fed. R. Civ. P. 56(a); *see Celotex Corp. v. Catrett*,  
 17 477 U.S. 317, 322-23 (1986). Material facts are those necessary to the proof or defense of a claim, as  
 18 determined by reference to substantive law. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986).  
 19 A factual issue is genuine "if the evidence is such that a reasonable jury could return a verdict for the  
 20 nonmoving party." *Id.* In deciding a motion for summary judgment, "[t]he evidence of the  
 21 nonmovant is to be believed, and all justifiable inferences are to be drawn in his favor." *Id.* at 255.

22       The burden initially is on the moving party to show the absence of a genuine issue of  
 23 material fact or that the non-moving party will be unable to make a sufficient showing on an  
 24 essential element of its case for which it bears the burden of proof. *Celotex*, 477 U.S. at 322-23.  
 25 Only if the moving party meets its burden must the non-moving party produce evidence to rebut  
 26 the moving party's claim. If the non-moving party establishes the presence of a genuine issue of  
 27 material fact, then the motion will be denied. *Nissan Fire & Marine Ins. Co. v. Fritz Co., Inc.*, 210 F.3d  
 28 1099, 1103 (9th Cir. 2000) (citing *Celotex*, 477 U.S. at 322).

1

2       **3.2 PATENTABLE SUBJECT MATTER**

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4       “Whoever invents or discovers any new and useful process, machine, manufacture, or  
 5 composition of matter, or any new and useful improvement thereof, may obtain a patent therefor,  
 6 subject to the conditions and requirements of this title.” 35 U.S.C. § 101. “[T]his provision  
 7 contains an important implicit exception: Laws of nature, natural phenomena, and abstract ideas are  
 8 not patentable.” *Alice Corp. Pty. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014) (quoting *Association*  
 9 *for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107, 2116 (2013)). The Supreme Court has  
 10 “described the concern that drives this exclusionary principle as one of pre-emption.” *Id.* That is,  
 11 “[L]aws of nature, natural phenomena, and abstract ideas are the basic tools of scientific and  
 12 technological work,” and “monopolization of those tools through the grant of a patent might tend  
 13 to impede innovation more than it would tend to promote it, thereby thwarting the primary object  
 14 of the patent laws. . . . *see* U.S. Const., Art. I, § 8, cl. 8 (Congress ‘shall have Power . . . To promote  
 15 the Progress of Science and useful Arts’).” *Id.* (some internal citations, quotations, and  
 16 modifications omitted).

17       “Accordingly, in applying the § 101 exception, we must distinguish between patents that  
 18 claim the ‘buildin[g] block[s]’ of human ingenuity and those that integrate the building blocks into  
 19 something more, thereby ‘transform[ing]’ them into a patent-eligible invention.” *Id.* (citations  
 20 omitted.) The Supreme Court has established a two-part test to make that distinction. “First, we  
 21 determine whether the claims at issue are directed to one of those patent-ineligible concepts. If so,  
 22 we then ask, ‘[w]hat else is there in the claims before us?’” *Id.* at 2355 (quoting *Mayo Collaborative*  
 23 *Services v. Prometheus Laboratories, Inc.*, 132 S. Ct. 1289, 1296-97 (2012) (citation omitted)). “To answer  
 24 that question, we consider the elements of each claim both individually and ‘as an ordered  
 25 combination’ to determine whether the additional elements ‘transform the nature of the claim’ into a  
 26 patent-eligible application.” *Id.* (quoting *Mayo*, 132 S. Ct. at 1297-98). “We have described step two  
 27 of this analysis as a search for an ‘inventive concept’—i.e., an element or combination of elements  
 28

1 that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent  
 2 upon the [ineligible concept] itself.’” *Id.* (quoting *Mayo*, 132 S. Ct. at 1294).

3 Judges of this Court have recognized that the two steps of the *Alice/Mayo* test “are easier to  
 4 separate in recitation than in application.” *Wolf v. Capstone Photography, Inc.*, Case No. CV 13-09573  
 5 CAS, Dkt. No. 49 at 17 (C.D. Cal. Oct. 28, 2014) (quoting *Eclipse IP LLC v. McKinley Equip. Corp.*,  
 6 No. SACV 14-00742 GW, 2014 WL 4407592, at \*2-3 (C.D. Cal. Sept. 4, 2014) (“Describing this as a  
 7 two-step test may overstate the number of steps involved.”)). But it is clear that “the mere  
 8 recitation of a generic computer cannot transform a patent-ineligible abstract idea into a  
 9 patent-eligible invention.” *Alice*, 134 S. Ct. at 2358.

10 Recitation of generic computer implementation does not transform an abstract idea because  
 11 it is insufficient, for patent eligibility purposes, to either state an abstract idea “while adding the  
 12 words ‘apply it’” or to limit the use of an abstract idea “to a particular technological environment.”  
 13 *Id.* (quoting *Mayo*, 132 S.Ct. at 1294, *Bilski v. Kappos*, 561 U.S. 593, 610-611 (2010)). “Stating an  
 14 abstract idea while adding the words ‘apply it with a computer’ simply combines those two steps,  
 15 with the same deficient result. Thus, if a patent’s recitation of a computer amounts to a mere  
 16 instruction to ‘implemen[t]’ an abstract idea ‘on . . . a computer,’ that addition cannot impart patent  
 17 eligibility.” *Id.* (citations omitted).

18

19 **4. ANALYSIS**

20

21 Defendants assert that “[t]he ‘969 Patent is directed to the abstract concept of a customer  
 22 loyalty program, and more specifically to computer automation of a player rewards system within a  
 23 poker room.” (Mot., Dkt. 72 at 1.)

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28 **4.1 THE SYSTEM CLAIMS**

1 As to the system claims, the Motion falters at the first step of the *Alice* analysis: identifying  
2 the abstract idea to which the claims are purportedly directed. Plaintiff points out that the  
3 independent system claim, claim 27, does not include a customer loyalty or compensation system at  
4 all. (Opp'n, Dkt. No. 74 at 13-14.) And of the eleven asserted claims that depend from claim 27,  
5 only one requires a compensation system. That makes “a customer loyalty program” a poor  
6 candidate for the abstract concept allegedly wrapped up in the claims. Claim 27 provides:

7

8 27. A computer system for monitoring a physical casino poker game comprising:

9 a. a system database;  
10 b. software enabled to set up and maintain poker game types and tables  
11 associated with said poker game types, wherein said software is configured to provide  
12 real time table availability status in the system database;

13 c. software enabled to facilitate the receipt of a poker player check-in input  
14 including player identification information and the player's poker game type  
15 preference and identifying the particular player from the player check-in input  
16 utilizing a player database which includes information regarding previously registered  
17 players;

18 d. software enabled to determine table availability in real time for said  
19 particular player's poker game type preference;

20 e. software enabled to add said particular player to a waitlist for said poker  
21 game type preference if no matching table is currently available;

22 f. software enabled to display indicia identifying said particular player on a  
23 public waitlist display, said public display including the display of information  
24 comprising at least two different poker game types and waiting players for each game  
25 type and wherein said display is suitable for viewing by a multiplicity of players or  
26 prospective players throughout the poker room;

1                   g. software enabled to select said particular waiting player for an available table  
2 matching said waiting player's selected game type when it is available and then  
3 assigning said player to that available table;

4                   h. software enabled to receive check-out input regarding said particular player  
5 containing player identification information; wherein said software is configured to  
6 identify the particular player from the player check-out input information, to remove  
7 the player from the game and from the table, to update the table availability to reflect  
8 that a seat for the particular poker game type at said table is currently available;

9                   i. software enabled to calculate the total elapsed time between receiving the  
10 check-in input and the check-out input of the particular player, wherein said software  
11 is configured to store the calculated playing time of said particular player in at least  
12 one of the system database or the player database;

13                   j. wherein all of the said software is enabled to operate as a synchronized  
14 system.

15  
16                   There is nothing in claim 27 about a loyalty program. In their reply brief, Defendants  
17 respond to this absence by arguing that limitation "i" involves storing playing time, and "the  
18 purpose of calculating and storing the playing time is part and parcel to the customer loyalty  
19 program." (Reply, Dkt. 76 at 5.) Defendants cite no authority for the proposition that the abstract  
20 idea in step one of the *Alice/Mayo* test can be something that the claimed invention might be useful  
21 for, as opposed to what the claim itself covers. And Defendants do not show that calculating and  
22 storing playing time is only useful for a customer loyalty program.

23                   Defendants then ask: "Alternatively, if claim 27 is not directed to a customer loyalty  
24 program, the court must still determine what is the abstract idea behind claim 27?", and suggest that  
25 another possible abstract idea candidate would be "monitoring a physical casino poker game,"  
26 which is the language of the claims' preamble. (*Id.*) From the phrasing, it is unclear whether  
27 Defendants really intended to conclude that statement with a question mark. But whether intended  
28 as a question or not, the answer is "no," the Court must not so determine.

1 It is not the Court's role to develop winning theories for the parties. *See Data Distrib. Techs.,*  
 2 *LLC v. Brer Affiliates, Inc.*, Civ. No. 12-4878, 2014 WL 4162765, at \*13 (D.N.J. Aug. 19, 2014)  
 3 (declining to formulate for the plaintiff a plausible claim construction that would show an inventive  
 4 concept sufficient to pass 35 U.S.C. § 101). Defendants bear several burdens here. "A patent shall  
 5 be presumed valid." 35 U.S.C. § 282. Invalidity must be shown by "clear and convincing evidence."  
 6 *See Wolf*, CV 13-09573 CAS at 9, n.1 (C.D. Cal. Oct. 28, 2014) (holding that the "clear and  
 7 convincing" standard applies to § 101 determinations). And as the party moving for summary  
 8 judgment, Defendants have the burden of establishing the absence of genuinely disputed issues of  
 9 material fact. *Celotex*, 477 U.S. at 323. And Courts "need not consider arguments raised for the first  
 10 time in a reply brief." *Zamani v. Carnes*, 491 F.3d 990, 997 (9th Cir. 2007). Defendants have not  
 11 sustained their burdens, and the Court cannot be asked in the reply papers to sustain it for them.

12 Defendants argue that the "Opposition does not dispute that 'poker has been played in  
 13 gambling houses, riverboats, speakeasies and casinos in the United States for the past three hundred  
 14 years,'" and that "[t]he abstract concept of 'monitoring a physical casino poker game' thus predates  
 15 the abstract concept of a 'customer loyalty program' for casinos." (Reply, Dkt. No. 76 at 5.) First, it  
 16 is unclear what role Defendants believe the relative age of these abstract concepts plays in the § 101  
 17 analysis. Second, Defendant ignores that the claims do not purport to cover the game of poker  
 18 itself: they require nothing about cards, bets, or the mechanics of play. While it might be undisputed  
 19 that people have hosted and watched poker games for as long as they have been played, that does  
 20 not establish that the type of monitoring and player management required by the claims is an idea of  
 21 similarly hoary provenance.

22 Therefore, Defendants have not established even the first step of the *Alice/Mayo* test is  
 23 satisfied for the system claims.

24

25 **4.2 THE METHOD CLAIMS**

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27 Defendants theory is slightly better for the method claims. Independent claim 1 concludes  
 28 with steps 1 and m, "transmitting the total elapsed time to a compensation system" and "calculating

1 an amount of compensation for the particular player based on the total elapsed time and storing the  
2 calculated compensation in at least one of a system database or the player database.” But even so, it  
3 is hard to say that claim 1 is directed to “the abstract concept of a customer loyalty program, and  
4 more specifically to computer automation of a player rewards system within a poker room” when it  
5 includes key steps that are not related to the compensation system recited in the claim. Claim 1  
6 provides:

- 7
- 8     1. A computerized method for monitoring a physical casino poker game comprising:
  - 9         a. receiving a poker player check-in input containing player identification information
  - 10         and player poker game type preference;
  - 11         b. identifying a particular player in a player database from the player check-in
  - 12         input;
  - 13         c. determining the seating availability for said particular player’s poker
  - 14         game type preference from a table availability database including game types in real time;
  - 15         d. adding said particular player to a waitlist for said poker game type
  - 16         preference if no matching table for said game type is currently available;
  - 17         e. displaying indicia identifying said particular player on a public waitlist
  - 18         display, said public display including the display of information comprising at least
  - 19         two different poker game types and waiting players for each game type and wherein
  - 20         said public display is suitable for viewing by a multiplicity of players or prospective
  - 21         players throughout the poker room;
  - 22         f. selecting a table for said particular waiting player matching said waiting
  - 23         player’s selected game type when it is available and then assigning said player to that
  - 24         available table;
  - 25         g. receiving check-out input regarding said particular player containing player
  - 26         identification information;
  - 27         h. identifying the particular player from the player check-out input
  - 28         information;

- i. removing the player from the game and from the table;
- j. updating the table availability to reflect that a seat for the particular poker game type at said table is currently available;
- k. ascertaining the total elapsed time between receiving the check-in input and the check-out input of the player;
- l. transmitting the total elapsed time to a compensation system; and
- m. calculating an amount of compensation for the particular player based on the total elapsed time and storing the calculated compensation in at least one of a system database or the player database.

Steps that could be omitted while leaving intact a player reward system include at least steps c, d, e, and f, which cover determining seating availability, adding players to waitlists, putting player identifying information on a public waitlist display, and assigning a player to a table. Defendants have not persuasively explained why all this should be ignored when identifying the abstract idea to which the claim is directed.

And even assuming that those elements should be ignored in the first step, as to the second *Alice/Mayo* step, asking whether there is “significantly more” in the claims, Defendants have not shown why these other elements are insufficient. Put differently, one could implement many different player reward systems that do not infringe the claims. *See Eclipse IP*, 2014 WL 4407592 at \*5 (“the question in the abstract idea context is whether there are other *ways* to use the abstract idea in the same field,” which can show that the preemption concern is not implicated). Thus, Defendants have not shown how these claims implicate “the basic underlying concern that these patents tie up too much future use” of the abstract idea of a player reward system. *Mayo*, 132 S. Ct. at 1302.

1                   **4.3 THE ASSERTED PRIOR ART**

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3                   Defendants argue that certain prior art shows that the abstract concept of “a customer  
 4 loyalty program directed to poker players . . . was practiced prior to the date of the invention . . . .”  
 5 (Mot., Dkt. No. 72 at 8.) Defendants cite one of Plaintiff’s press releases stating that “in 2004 . . .  
 6 Ameranth designed and developed a software program that automates previously performed manual  
 7 task[s] associated with operating a poker room.” (Mot., Dkt. No. 72 at 12 (citing Ex. 12, Dkt. No  
 8 72-16 at 303).) Of course, mere generic computer implementation fails to transform an abstract  
 9 idea into a patent-eligible invention: transformation requires an “inventive concept . . . “sufficient to  
 10 ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible  
 11 concept] itself.” *Alice*, 134 S.Ct. at 2355 (quoting *Mayo*, 132 S.Ct. at 1294).

12                  But automation of manual tasks is not necessarily abstract. U.S. Patent No. 72 (1794) to Eli  
 13 Whitney for a cotton gin is one familiar example of a solidly tangible automating machine. Of  
 14 course, one could posit a way of drafting even a claim to a cotton gin in a way that renders it  
 15 abstract: “a machine comprising metal and wood configured to remove cotton seeds from cotton  
 16 fiber.” Read most charitably, Defendants are arguing something like that—that the prior art shows  
 17 that all of the steps in the claimed method were performed together previously, and the ‘969 Patent  
 18 merely says “do that, on a computer,” neatly fitting the *Alice* mold. But Defendants rely on multiple  
 19 combinations of references to make that argument, and as couched by Defendants, those  
 20 combinations seem more like an obviousness argument under 35 U.S.C. § 103 than a patent  
 21 eligibility analysis under 35 U.S.C. § 101. And Defendants have not established the admissibility of  
 22 the key evidence they rely upon for that argument.

23

24                   **4.3.1 The Kessman Testimony is Inadmissible**

25

26                  The most analogous prior art appears to be the description of the paper-and-pencil system at  
 27 a casino described by Marc Kessman, an inventor of the ‘969 Patent. In testimony in a previous  
 28 case, Kessman stated that at some time before his invention, the Mohegan Sun casino tracked poker

1 players' time on cards that would be manually tabulated. (Mot., Dkt. No. 72 at 9 (citing Kessman  
 2 Depo, Ex. 8, Dkt. No. 72-12 at 40:8-41:9).) Defendants combine this purported practice with a  
 3 poker book's description of pre-invention poker room waitlist practice (discussed in Section 4.4.2),  
 4 and a patent describing player rewards system in the prior art. (Mot., Dkt. No. 72 at 10-11.)

5 Kessman gave the testimony at issue at his deposition in *Ameranth, Inc. v. Kessman*, CV 08-851  
 6 JAP, 2009 WL 3156749 (D. Del.), which was not a patent case. "Plaintiff objects to the Kessman  
 7 testimony because the cited testimony lacks foundation (Fed. R. Evid. 901, 902); is inadmissible  
 8 hearsay evidence (Fed. R. Evid. 801, 802), and the citations fail to state how the witness has personal  
 9 knowledge of the alleged facts asserted (Fed. R. Evid. 602)." (Objections to Evidence Offered in  
 10 Supp. of Mot. ("Objection"), Dkt. No. 75 at 4.) Plaintiff acknowledges that a deposition may be  
 11 used as substantive evidence in other litigation under FRE 804(b)(1) if Kessman was unavailable  
 12 under FRE 804(a), but argues that there has been no such showing in this case. (*Id.*)

13 Defendants respond that Kessman is unavailable because he lives in New York and the  
 14 Court denied Defendants' *ex parte* application to allow his deposition after the discovery cut-off.  
 15 (Reply, Dkt. No. 76 at 3 n.4.) But Defendants do not show that Kessman was not subject to  
 16 compulsory process during the discovery period. And Defendants cite no authority for the  
 17 proposition that their own inability to meet the standard for *ex parte* relief transforms Kessman into  
 18 an unavailable witness. Defendants served Kessman with a subpoena in October 2013, initiated a  
 19 request to depose him in January 2014, and then waited over six months to "review any documents  
 20 Mr. Kessman might produce" before again requesting his deposition in August 2014. (SACV  
 21 11-00189 AG (RNBx), *Ex Parte* Application, Dkt. No. 201 at ¶¶ 7, 10.) In short, that Defendants  
 22 did not seek to compel Kessman's deposition does not make him unavailable for purposes of  
 23 summary judgment.

24 Defendants also do not show, as required by FRE 804(b)(1)(B), that Plaintiff had "an  
 25 opportunity and similar motive to develop [the testimony] by direct, cross-, or redirect  
 26 examination." The prior case was "a breach of contract and fraud action having nothing to do with  
 27 the patents in suit." (Objection, Dkt. No. 75 at 5.) "The 'similar motive' requirement is inherently  
 28 factual and depends, at least in part, on the operative facts and legal issues and on the context of the

1 proceeding.” *U.S. v. Geiger*, 263 F.3d 1034, 1038 (2001); *see also Lohrmann v. Pittsburgh Corning Corp.*,  
 2 782 F.2d 1156, 1160-61 (4th Cir. 1986) (party who deposed witness in a first case involving a  
 3 different cause of action did not have the same motive to develop the testimony as the second case,  
 4 even though both cases involved the party’s attempt to avoid liability for asbestos exposure). Nor  
 5 do Defendants show that the Kessman deposition may be used due to exceptional circumstances  
 6 under Fed. R. Civ. P. 34(a)(4)(E) or that the use of the deposition is authorized because this is “a  
 7 later action involving the same subject matter between the same parties.” Fed. R. Civ. P. 32(a)(8).

8 The Court therefore sustains Plaintiff’s objection to the Kessman Declaration.

9

10 **4.3.2 The Carson Book is Inadmissible**

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12 Another key item of evidence cited by Defendants is Carson, “The Complete Book of Hold  
 13 ‘Em Poker: A Comprehensive Guide to Playing and Winning” (2001) (“Carson”). Defendants use  
 14 Carson to establish the fact that poker room waitlists were managed in a certain way before the  
 15 invention. (Mot., Dkt. No. 72 at 11; Reply, Dkt. No. 76 at 16.) While Carson appears to be prior  
 16 art under 35 U.S.C. § 102, Plaintiff objects that the book is being used as expert opinion without a  
 17 showing that the author is qualified expert, and that Defendants use the book to establish the truth  
 18 of the matter asserted without establishing a hearsay exception. (Objection, Dkt. no. 75 at 5-7.)  
 19 Plaintiff argues prophylactically that Defendant has not qualified the book as a learned treatise under  
 20 FRE 803(18). (*Id.* at 6-7.) Defendants do not respond to Plaintiff’s objections to Carson.

21 Carson is hearsay, and no hearsay exception has been shown. The Court sustains the  
 22 objection to Carson on that basis.

23

24 **4.3.3 Conclusion**

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26 Therefore, Defendants have not demonstrated that the claims simply cover generic computer  
 27 implementation of the way poker rooms were managed before the invention.

1           **4.4 THE CITED RECENT USPTO ACTIVITY IS IMMATERIAL**

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3           ITCS's Notice of Joinder points out that a USPTO examiner recently rejected one of  
 4 Ameranth's pending patent applications because (1) it was not patentably distinct from the '969  
 5 Patent, and (2) it failed 35 U.S.C. § 101. (Dkt. No. 73-2 at 2-3, U.S. Pat. App. No. 13/759,203,  
 6 August 21, 2014 Non-Final Rejection at ¶¶ 4-21.) In response to the rejection, Plaintiff revised the  
 7 claims by changing several terms, such as: "processor" to "application software program server,"  
 8 "public display" to "public display device," associating each said server with a system database, and  
 9 further limiting the claims to "poker" tournaments. (Dkt. No. 73-4, U.S. Pat. App. No. 13/759,203,  
 10 September 2, 2014 Response to Office Action at 1-2.)

11           These changes are minor. But on November 5, 2014, the USPTO issued a notice of  
 12 allowability. (Dkt. No. 80-1.) So, what started as a point for the Defendants has shifted to a point  
 13 for the Plaintiff. But the back-and-forth at the USPTO on a related but unissued patent is of very  
 14 limited relevance here. "The [PTO and court] take different approaches in determining invalidity  
 15 and on the same evidence could quite correctly come to different conclusions." *See Ethicon, Inc. v.*  
 16 *Quigg*, 849 F.2d 1422, 1428 (Fed. Cir. 1988).

17           The patent actually before the Court, the '969 Patent, is presumed valid. While it is  
 18 interesting that the USPTO, post-*Alice*, first rejected a continuation application with similar claims  
 19 and then allowed it, the Court must ultimately draw its own conclusions about the patent eligibility  
 20 of the '969 Patent.

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 23  
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 25  
 26       //  
 27       //  
 28

## 5. DISPOSITION

An inability to articulate an abstract idea to which claims are directed may be a clue that those claims satisfy § 101. But the Court here expresses no opinion on the ultimate issue presented by the Motion. The Court holds only that Defendants have not satisfied their burden on summary judgment.

The Motion is DENIED.

IT IS SO ORDERED.

10 | DATED: November 12, 2014



Andrew J. Guilford  
United States District Judge